

HOUSE BILL No. 4369

February 25, 1997, Introduced by Reps. Brewer, McBryde, Kaza, Martinez, Goschka, Dobb, Lowe, Frank, Brackenridge, Cherry, Gilmer and DeHart and referred to the Committee on Public Retirement.

A bill to amend 1851 PA 156, entitled

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

by amending section 12a (MCL 46.12a), as amended by 1996 PA 390.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) A county board of commissioners at a lawfully
2 held meeting may do 1 or more of the following:

3 (a) Provide group life, health, accident and hospitaliza-
4 tion, and disability coverage for a county employee, retired
5 employee, or an employee of an office, board, or department of
6 the county, including the board of county road commissioners, and
7 a dependent of an employee, either with or without cost
8 participation by the employee, and appropriate the necessary
9 funds for the insurance. For a county with 100 employees or

1 more, self-insure for health, accident and hospitalization, and
2 group disability coverage for a county employee, retired employ-
3 ee, or an employee of an office, board, or department of the
4 county, including the board of county road commissioners, and a
5 dependent of an employee, either with or without cost participa-
6 tion by the employee, and appropriate the necessary funds.

7 (b) Adopt and establish a plan by which the county purchases
8 or participates in the cost of an endowment policy or retirement
9 annuity for a county employee or an employee of an office, board,
10 or department of the county, including the board of county road
11 commissioners, to provide monthly pension or retirement benefits
12 for each employee 60 years of age or older in an amount not to
13 exceed \$150.00 per month or 2% of the average monthly earnings of
14 the employee for 5 years immediately before retirement times the
15 years of service of the employee, whichever is the lesser sum.
16 As an option, a county board of commissioners may adopt and
17 establish a plan by which the county pays pension or retirement
18 benefits to a county employee or an employee of an office, board,
19 or department of the county, including the board of county road
20 commissioners, who has been employed for not less than 25 years,
21 or who is 60 years of age or older and has been employed for not
22 less than 5 years, in monthly payments not to exceed 2.5% of the
23 employee's highest average monthly compensation or earnings
24 received from the county or county road fund for 5 years of serv-
25 ice times the total number of years of service of the employee,
26 including a fraction of a year, not to exceed 3/4 of the average
27 final compensation of the employee. A plan may also pay early

1 retirement benefits at 55 years of age or older to the extent of
2 actuarially equivalent benefits not increasing the costs of the
3 plan. Except as provided in subsection (28), endowment policies,
4 retirement benefits, pensions, or annuity retirement benefits in
5 excess of the amounts stipulated in this subdivision may be pro-
6 vided for by a plan of employee participation to cover the cost
7 of the excess. If the employment or the pension or retirement
8 benefits of an employee who participated in the cost of pension
9 or retirement benefits are terminated before the employee
10 receives pension or retirement benefits equal to the total amount
11 of the employee's participation, the balance of the total partic-
12 ipation shall be refunded to the employee at the time of termina-
13 tion, if living, or if deceased, to the employee's heir, estate,
14 legal representative, or designated beneficiary as provided in
15 the plan adopted and established by the county board of
16 commissioners. If a terminated employee is subsequently rehired
17 by the county, the employee may repay the amount of participation
18 refunded to the employee upon the employee's termination,
19 together with compound interest from the date of refund to the
20 dates of repayment at the rates provided in the plan. As condi-
21 tions for repayment, the plan may require return to employment
22 for a period not to exceed 3 years and may require that repayment
23 be completed within a period of not less than 1 year following
24 return to employment. A plan adopted for the payment of retire-
25 ment benefits or a pension shall grant benefits to an employee
26 eligible for pension or retirement benefits according to a
27 uniform scale for all persons in the same general class or

1 classification. An employee shall not be denied benefits by
2 termination of his or her employment after the employee becomes
3 eligible for benefits under the plan and this section. An endow-
4 ment policy or annuity purchased pursuant to this section shall
5 be purchased from an insurer authorized to write endowment poli-
6 cies or annuities in this state.

7 (2) In a plan adopted under this section, at least 60% of
8 the total pension or retirement benefit granted to an employee
9 from county funds shall consist of a percentage not to exceed
10 2.5% of the employee's average final compensation times the
11 employee's years of service and shall be granted to each employee
12 eligible for retirement under the plan uniformly and without
13 restriction or limitation other than those prescribed in this
14 section. As used in this section:

15 (a) "Average final compensation" means the annual average of
16 the highest actual compensation received by a county employee,
17 other than a county employee who is a judge of a municipal court
18 of record subject to subsection (21) or a judge subject to sub-
19 section (24), during a period of 5 consecutive years of service
20 contained within the employee's 10 years of service immediately
21 before the employee's retirement or a period of 5 years of serv-
22 ice as specified in the plan. In a county that adopts a plan for
23 granting longevity pay, the county board of commissioners may
24 exclude this longevity pay from average final compensation for
25 the purpose of computing the rate of employee contribution and
26 the amount of benefits payable to an employee upon retirement.

1 (b) "Longevity pay" means increments of compensation payable
2 at annual or semiannual intervals and based upon years of service
3 to the county, exclusive of compensation provided for a given
4 class of positions.

5 (3) A circuit court stenographer is eligible for membership
6 in, and the benefits of, a pension or retirement benefit under a
7 plan established pursuant to this section, or a social security
8 plan established by the county or 1 of the counties that pays a
9 portion of the compensation of a circuit court stenographer.

10 (4) If the employment of a county employee eligible to
11 receive a pension or retirement benefit under a plan established
12 pursuant to this section is terminated after the employee has
13 completed 8 or more years of service in county employment, the
14 employee shall receive the amount of pension or retirement bene-
15 fit to which the employee's service would have entitled the
16 employee under the plan established, if the employee waives the
17 employee's right to a refund of the employee's total participa-
18 tion upon the termination of employment. The payment of pension
19 or retirement benefits shall begin, as provided in the plan,
20 after the employee would have become eligible for retirement
21 under the plan had the employee's employment not been terminated,
22 but not later than 90 days after the employee becomes 65 years of
23 age. The payment of pension or retirement benefits shall not
24 begin until the employee has applied for pension or retirement
25 benefits in the manner prescribed in the plan established.

26 (5) A plan established under this section may provide for
27 pension or retirement benefits for a county employee who becomes

1 totally disabled for work in the county service from any cause,
2 after not less than 10 years of county employment, to the extent
3 of the limitations provided in this section. A plan may also
4 provide for pension or retirement benefits to the extent of the
5 limitations provided in this section or \$400.00 per month, which-
6 ever is the greater sum, for an employee who becomes totally dis-
7 abled for work in the county service from causes that are the
8 direct and proximate result of county employment, to continue for
9 the duration of the disability or until the employee becomes eli-
10 gible for retirement pursuant to other provisions of the plan
11 authorized by this section. A plan may also provide for pension
12 or retirement benefits, to the extent of the limitations provided
13 in this section, for the actual dependents of a county employee
14 who dies while still employed by the county after not less than
15 10 years of county employment, or who dies after leaving county
16 employment with not less than the number of years of service
17 required to vest in the plan but before becoming eligible to
18 receive a pension or retirement benefit. A plan may also provide
19 for pension or retirement benefits to the extent of the limita-
20 tions provided in this section or \$400.00 per month, whichever is
21 greater, for the actual dependents of a deceased county employee
22 whose death is the direct and proximate result of county
23 employment. The plan may provide that the period from the end of
24 the deceased or disabled employee's period of service to the date
25 that employee would have become eligible for retirement be used
26 as service for the sole purpose of computing the amount of
27 disability or death pension.

1 (6) As used in this section, "county employee" includes a
2 bailiff of the district court in the thirty-sixth district who
3 serves pursuant to section 8322 of the revised judicature act of
4 1961, ~~Act No. 236 of the Public Acts of 1961, being section~~
5 ~~600.8322 of the Michigan Compiled Laws~~ 1961 PA 236, MCL
6 600.8322, and a person who receives more than 50% of all compen-
7 sation for personal services, rendered to governmental units,
8 from a county fund or county road fund, except a person, other
9 than a bailiff of the district court in the thirty-sixth dis-
10 trict, engaged for special services on a contract or fee basis.
11 Until December 31, 1979, a plan adopted under this section may
12 include as a county employee a person on leave of absence from
13 county employment who is not a member of another retirement
14 system except as a retirant and who pays or arranges payment of
15 contributions equal to the contributions that would have been
16 required to be paid under the plan by both the county and the
17 employee, based upon the compensation the employee would have
18 received from the county, if the employee had not taken a leave
19 of absence or a person who complies with the requirements of such
20 a provision approved for inclusion in a plan by the county board
21 of commissioners before January 1, 1976, who shall be considered
22 to be a county employee during the period of compliance. A plan
23 adopted under this section may exclude a person who is employed
24 on a temporary basis and a person employed in a position normally
25 requiring less than 1,000 hours, or some lesser specified number
26 of hours, work per year. A bailiff serving in the district court
27 in the thirty-sixth district is eligible to receive benefits

1 under this section if a plan has been established by law by which
2 the cost of benefits is payable from sources including charges on
3 all legal instruments in which the service of process by a bai-
4 liff is required and earmarked by law for benefits, and contribu-
5 tions made by the city of Detroit and each bailiff pursuant to
6 section 8322(6) of ~~Act No. 236 of the Public Acts of 1961~~ THE
7 REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.8322. The
8 plan shall include provisions by which a bailiff or former bai-
9 liff who served as bailiff as of January 1, 1967, may retire
10 after 25 years of service regardless of age, with maximum bene-
11 fits to be computed as follows: starting as of January 1, 1969,
12 the average of any 5 years of earnings of the previous 10 years
13 served in succession before retirement multiplied by 1.9% times
14 the years of service; starting as of June 1, 1975, the average of
15 any 5 years of earnings multiplied by 2% times the years of
16 service. As used in this subsection, "earnings" means the salary
17 and fees, other than mileage, received by a bailiff pursuant to
18 section 8322(5) of ~~Act No. 236 of the Public Acts of 1961~~ THE
19 REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.8322. The
20 plan shall include provisions by which health, accident, and hos-
21 pitalization insurance premiums may be paid out of the earnings
22 of this fund. These payments shall be made at the discretion of
23 the pension board of trustees. A county that has a retirement
24 fund for bailiffs under this section shall annually review the
25 retirement fund and shall ensure that the fund is maintained in
26 an actuarially sound condition. Copies of the actuarial reports
27 shall be provided to the employer designated under section

1 8274(2) or (3) of ~~Act No. 236 of the Public Acts of 1961, being~~
2 ~~section 600.8274 of the Michigan Compiled Laws~~ THE REVISED JUDI-
3 CATURE ACT OF 1961, 1961 PA 236, MCL 600.8274, and to the state
4 court administrator.

5 (7) An employee while receiving a pension or retirement ben-
6 efit because of disability, pursuant to this section, may be con-
7 sidered as employed in the county service for the purpose of
8 retirement under this section.

9 (8) A county employee who is included by law in another pen-
10 sion or retirement system by reason of the compensation the
11 employee receives from the county may be excluded from a plan
12 established under this section or included only to the extent of
13 the difference between benefits granted under this section and
14 the other pension or retirement system.

15 (9) The county board of commissioners, upon the request of a
16 county employee, by not less than a 3/5 vote may credit that
17 county employee with the amount of government service resulting
18 from employment with the United States government, except mili-
19 tary service, employment with a state, or employment with any of
20 their political subdivisions under the following conditions:

21 (a) Employment by the county occurred within 15 years fol-
22 lowing the county employee's separation from service of the last
23 unit of government by which the county employee was employed.

24 (b) Service rendered before the last break in service of
25 more than 15 years shall not be credited.

26 (c) Service that is recognized for the purpose of a deferred
27 retirement allowance under a retirement system or other

1 employer-funded retirement benefit plan, except for a retirement
2 benefit plan under the social security act, chapter 531, 49
3 Stat. 620, of the United States government, a state, or a politi-
4 cal subdivision of a state shall not be credited if the county
5 employee retired under a retirement system of the United States
6 government, a state, or any of their political subdivisions or
7 until the county employee irrevocably forfeits the right to the
8 deferred retirement allowance.

9 (d) The county employee deposits in the plan established
10 under this section an amount equal to the aggregate amount of
11 contributions the county employee would have made had the service
12 been acquired in the employ of the county, plus interest from the
13 dates the contributions would have been made to the date of
14 deposit, at rates determined by the county board of
15 commissioners. If records are insufficient or unavailable to
16 compute the exact amount of required deposit, the county board of
17 commissioners may estimate the amount.

18 (e) The county employee has 8 or more years of credited
19 service in county employment, has legal vesting in the county
20 plan, and deposits in the county employees' retirement system an
21 amount equal to the aggregate amount of contributions the
22 employer would have made had the government service being cred-
23 ited under this section been acquired in the employ of the
24 county.

25 (10) A plan adopted under this section may provide for
26 annual or less frequent postretirement redetermination of a
27 pension. The redetermined amount of pension shall be not greater

1 than the amount of pension otherwise payable multiplied by the
2 sum of 100% and the percentage the county board of commissioners
3 determines appropriate for each full year, excluding a fraction
4 of a year, in the period from the effective date of payments of
5 the pension and the date as of which the redetermination is being
6 made. The redetermined amount shall not be less than the amount
7 of pension otherwise payable. A provision of this section that
8 limits the amount of a pension shall not apply to the operation
9 of this subsection redetermining the amount of a pension. As
10 used in this subsection, "the amount of pension otherwise
11 payable" means the amount of pension that would be payable with-
12 out regard to this subsection. The application of a provision
13 redetermining pension amounts may be restricted to pensions that
14 have an effective date of payment either before or after a speci-
15 fied date.

16 (11) The cost of pension or retirement benefits for a county
17 employee under this section may be paid from the same fund from
18 which the employee receives compensation, and the county board of
19 commissioners may appropriate the necessary funds to carry out
20 the purposes of this section. If a county establishes a plan by
21 which the county pays pension or retirement benefits to an
22 employee pursuant to this section, the county, pursuant to provi-
23 sions for pension or retirement benefits that are incorporated in
24 the plan, shall establish and maintain reserves on an actuarial
25 basis in the manner provided in this subsection sufficient to
26 finance the pension and retirement and death benefit liabilities
27 under the plan and sufficient to pay the pension and retirement

1 and death benefits as they become due. A county that adopts a
2 retirement plan under this section and establishes reserves on an
3 actuarial basis shall maintain the reserves as provided in this
4 subsection. The reserves shall be determined by an actuarial
5 valuation and established and maintained by yearly appropriations
6 by the county and contributions by employees. The reserves shall
7 be established, maintained, and funded to cover the pension and
8 other benefits provided for in the plan in the same manner and
9 within the same limits as to time as is provided for Benefit
10 Program B in the municipal employees retirement system described
11 in former section 14 of the municipal employees retirement act of
12 1984, ~~Act No. 427 of the Public Acts of 1984~~ 1984 PA 427, MCL
13 38.1501 TO 38.1538. These reserves are trust funds and shall not
14 be used for any other purpose than the payment of pension,
15 retirement, and other benefits and refunds of employee contribu-
16 tions pursuant to the plan established in a county. An
17 employee's contributions shall be kept and accumulated in a sepa-
18 rate fund and used only for the payment of annuities and refunds
19 to employees. This subsection does not apply to a county that
20 adopted a retirement plan under this section and did not estab-
21 lish reserves on an actuarial basis before October 11, 1947.

22 (12) A plan established by a county for the payment of pen-
23 sion and retirement benefits to an employee under this section
24 shall be approved as complying with this section by a county pen-
25 sion plan committee consisting of the attorney general, the state
26 treasurer, and the executive secretary of the state employees'
27 retirement system created by the state employees' retirement act,

1 ~~Act No. 240 of the Public Acts of 1943, being sections 38.1 to~~
2 ~~38.49 of the Michigan Compiled Laws 1943 PA 240, MCL 38.1 TO~~
3 38.69, before the plan becomes effective or operative in the
4 county. Each county retirement plan operating under this section
5 shall be approved by the committee as complying with this section
6 biennially. A financial statement for each county retirement
7 plan operating under this section shall be submitted annually to
8 the county pension plan committee by the county board, official,
9 or employee designated by the county board of commissioners. The
10 financial statement shall be in the form, contain the informa-
11 tion, and be submitted as the county pension plan committee
12 prescribes. The state treasurer shall audit the funds and
13 accounts of county retirement plans established under this sec-
14 tion in the same manner as the state treasurer audits other
15 county accounts and may audit and investigate county retirement
16 plan funds and accounts to the extent necessary to effectuate the
17 purposes of this section. This subsection does not apply to a
18 county that adopted a retirement plan under this section and did
19 not establish reserves on an actuarial basis before October 11,
20 1947.

21 (13) If a county establishes a plan for the payment of pen-
22 sion and retirement benefits to its employees pursuant to this
23 section, the county board of commissioners may provide for a
24 board of trustees to administer the plan and for the manner of
25 election or appointment of the members of the board of trustees.
26 The county board of commissioners may grant authority to the
27 board of trustees to fully administer and operate the plan and to

1 deposit, invest, and reinvest the funds and reserves of the plan
2 within the limitations prescribed by the county board of commis-
3 sioners in the plan. The county board of commissioners may
4 authorize the investment of funds of a county retirement plan
5 established under this section in anything in which the funds of
6 the state employees' retirement system or the funds of the munic-
7 ipal employees retirement system may be invested, pursuant to
8 ~~Act No. 240 of the Public Acts of 1943~~ THE STATE EMPLOYEES'
9 RETIREMENT ACT, 1943 PA 240, MCL 38.1 TO 38.69, and ~~Act No. 427~~
10 ~~of the Public Acts of 1984, being sections 38.1501 to 38.1555 of~~
11 ~~the Michigan Compiled Laws~~ THE MUNICIPAL EMPLOYEES RETIREMENT
12 ACT OF 1984, 1984 PA 427, MCL 38.1501 TO 38.1558. A county
13 retirement plan established under this section may provide for
14 financing, funding, and the payment of benefits in the same
15 manner and to the same extent as is provided for in ~~Act No. 240~~
16 ~~of the Public Acts of 1943~~ THE STATE EMPLOYEES' RETIREMENT ACT,
17 1943 PA 240, MCL 38.1 TO 38.69, and ~~Act No. 427 of the Public~~
18 ~~Acts of 1984~~ THE MUNICIPAL EMPLOYEES RETIREMENT ACT OF 1984,
19 1984 PA 427, MCL 38.1501 TO 38.1558, may provide for and require
20 contributions by county employees, and may permit additional
21 employee contributions on a voluntary basis.

22 (14) Upon the approval of the county board of commissioners,
23 a member who entered the armed service of the United States
24 before June 1, 1980 or who entered the armed service of the
25 United States on or after June 1, 1980 during a time of war or
26 emergency condition as described in section 1 of ~~Act No. 190 of~~
27 ~~the Public Acts of 1965, being section 35.61 of the Michigan~~

1 ~~Compiled Laws~~ 1965 PA 190, MCL 35.61, may elect to receive
2 credited service for not more than 5 years of active military
3 service. Credit for military service shall be given upon request
4 and payment to the retirement system of an amount equal to 5% of
5 the member's full-time or equated full-time annual compensation
6 for the year in which payment is made multiplied by the number of
7 years, and fraction of a year, of credited service that the
8 member elects to purchase up to the maximum. Service shall not
9 be credited if the service is or would be credited under any
10 other federal, state, or local publicly supported retirement
11 system. Service shall not be credited under this subsection
12 until the member has the number of years of credited service
13 needed to vest under the plan. Only completed years and months
14 of armed service shall be credited under this subsection.

15 (15) A member who enters or entered any armed service of the
16 United States may purchase credited service for periods of con-
17 tinuous active duty lasting 30 days or more, subject to the fol-
18 lowing conditions:

19 (a) The county board of commissioners authorizes the pur-
20 chase of credited service under this subsection by an affirmative
21 vote of a majority of the members of the county board of
22 commissioners. The county board of commissioners shall establish
23 a written policy to implement the provisions of this subsection
24 in order to provide uniform application of this subsection to all
25 members of the plan.

1 (b) The member has at least the number of years of credited
2 service needed to vest under the plan, not including any credited
3 service purchased under this subsection and subsection (14).

4 (c) The member pays the plan 5% of the member's annual com-
5 pensation multiplied by the period of credited service being
6 purchased. As used in this subdivision, "annual compensation"
7 means the aggregate amount of compensation paid the member during
8 the 4 most recent calendar quarters for each of which the member
9 was credited 3/12 of a year of credited service.

10 (d) Fractional months of armed service shall not be recog-
11 nized for the purposes of this subsection.

12 (e) Armed service credited a member under subsection (14)
13 shall not be the basis of credited service under this section.

14 (f) Armed service credited a member under this subsection
15 shall not exceed either 5 years or the difference between 5 years
16 and the armed service credited the member under subsection (14).

17 (g) Credited service shall not be granted for periods of
18 armed service that are or could be used for obtaining or increas-
19 ing a benefit from another retirement system.

20 (16) As used in this subsection, "transitional public
21 employment program" means a public service employment program in
22 the area of environmental quality, health care, education, public
23 safety, crime prevention and control, prison rehabilitation,
24 transportation, recreation, maintenance of parks, streets, and
25 other public facilities, solid waste removal, pollution control,
26 housing and neighborhood improvements, rural development,
27 conservation, beautification, veterans' outreach, or any other

1 area of human betterment and community improvement as part of a
2 program of comprehensive manpower services authorized, under-
3 taken, and financed pursuant to the former comprehensive employ-
4 ment and training act of 1973, Public Law 93-203. A person par-
5 ticipating in a transitional public employment program shall not
6 be eligible for membership in a retirement system or pension plan
7 established under this section. If the person later becomes a
8 member of a retirement system or pension plan established under
9 this section within 12 months after the date of termination as a
10 participant in a transitional public employment program, service
11 credit shall be given for employment in the transitional public
12 employment program for purposes of determining a retirement
13 allowance upon the payment by the person and the person's
14 employer under the transitional public employment program from
15 funds provided under the former comprehensive employment and
16 training act of 1973, Public Law 93-203, as funds permit, to the
17 retirement system of the contributions, plus regular interest,
18 the person and the employer would have paid had the employment
19 been rendered in a position covered by this section. During the
20 person's employment in the transitional public employment pro-
21 gram, the person's employer shall provide an opportunity by pay-
22 roll deduction for the person to make his or her employee contri-
23 bution to the applicable pension system. To provide for the
24 eventual payment of the employer's contribution, the person's
25 employer shall during this same period place in reserve a reason-
26 able but not necessarily an actuarially determined amount equal
27 to the contributions that the employer would have paid to the

1 retirement system for those employees in the transitional public
2 employment program as if they were members under this section,
3 but only for that number of employees that the employer deter-
4 mined would transfer from the transitional public employment pro-
5 gram into positions covered by this section. If the funds pro-
6 vided under the former comprehensive employment and training act
7 of 1973, Public Law 93-203, are insufficient, the remainder of
8 the employer contributions shall be paid by the person's current
9 employer.

10 (17) Subsection (16) does not exclude the participant in a
11 transitional public employment program from the accident, dis-
12 ability, or other benefits available to members of the retirement
13 system covered by this section.

14 (18) If a probate judge who is a member of a plan estab-
15 lished under this section contributes for 20 years or more, the
16 county board of commissioners may allow the probate judge to
17 cease further contributions.

18 (19) An employee of the circuit court in the third judicial
19 circuit, the common pleas court of the city of Detroit, or the
20 recorder's court of the city of Detroit who became an employee of
21 the state judicial council on September 1, 1981, and who was 44
22 years of age or older as of that date, and who will have accumu-
23 lated 25 or more years of service credit by September 1, 1987,
24 shall continue to be eligible for membership in, and the benefits
25 of, a pension or retirement benefit plan established pursuant to
26 this section in the same manner as the employee was eligible
27 before September 1, 1981. A person who was an employee of the

1 circuit court in the third judicial circuit, the common pleas
2 court of the city of Detroit, or the recorder's court of the city
3 of Detroit on August 31, 1981, who last entered county employment
4 before November 2, 1956, who became an employee of the state
5 judicial council on September 1, 1981, and who accumulated not
6 less than 24 years of service credit by August 31, 1981, shall
7 continue to be eligible for membership in, and the benefits of, a
8 pension or retirement benefit plan established pursuant to this
9 section in the same manner as the employee was eligible before
10 September 1, 1981. An election to continue to be a member of a
11 pension or retirement benefit plan established pursuant to this
12 section as authorized by section 594(2) of the revised judicature
13 act of 1961, ~~Act No. 236 of the Public Acts of 1961, being sec-~~
14 ~~tion 600.594 of the Michigan Compiled Laws~~ 1961 PA 236, MCL
15 600.594, as that section read on February 8, 1985, or former sec-
16 ~~tion 36(2) of Act No. 369 of the Public Acts of 1919~~ 1919 PA
17 369, is not effective unless the employee has made the election
18 in the manner prescribed by those sections and has made the pay-
19 ments required by those sections.

20 (20) A plan adopted under this section may provide that an
21 employee of the circuit court in the third judicial circuit, the
22 common pleas court of the city of Detroit, or the recorder's
23 court of the city of Detroit who is a member of the Wayne county
24 employees' retirement system on August 31, 1981, who becomes an
25 employee of the state judicial council and a member of the state
26 employees' retirement system on September 1, 1981, receive a
27 benefit based on the annual average of the highest actual

1 compensation received by the employee during a period of 5 years
2 of county or state service.

3 (21) Beginning September 1, 1981, for determining the
4 retirement benefit for a county employee who is a judge of a
5 municipal court of record pursuant to subsection (2), "average
6 final compensation" means the annual average of the highest
7 actual compensation received by the judge as additional salary
8 pursuant to former section 13(2) of ~~Act No. 369 of the Public~~
9 ~~Acts of 1919~~ 1919 PA 369, or section 9932(3) of ~~Act No. 236 of~~
10 ~~the Public Acts of 1961, being section 600.9932 of the Michigan~~
11 ~~Compiled Laws~~ THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236,
12 MCL 600.9932, during a period of 5 years of service as specified
13 in the plan. This subsection shall not be construed to diminish
14 or impair an accrued financial benefit.

15 (22) Beginning September 1, 1981, for each county employee
16 who is a judge of a municipal court of record, or of the circuit
17 or district court, the sum of the average final compensation
18 determined for that county employee pursuant to this section and
19 the final salary determined for that county employee as a member
20 of the state of Michigan judges' retirement system created by
21 former ~~Act No. 198 of the Public Acts of 1951~~ 1951 PA 198, or
22 as a member of the Michigan judges retirement system created by
23 the judges retirement act of 1992, ~~Act No. 234 of the Public~~
24 ~~Acts of 1992, being sections 38.2101 to 38.2608 of the Michigan~~
25 ~~Compiled Laws~~ 1992 PA 234, MCL 38.2101 TO 38.2720, shall not
26 exceed the employee's total annual judicial salary payable from
27 all sources at the time of his or her retirement. This

1 subsection shall not be construed to diminish or impair an
2 accrued financial benefit.

3 (23) Beginning September 1, 1981, for each county employee
4 who is a judge of the probate court, the sum of the average final
5 compensation calculated for that employee pursuant to this sec-
6 tion and the final salary calculated for that employee as a
7 member of the state of Michigan probate judges retirement system
8 created by former ~~Act No. 165 of the Public Acts of 1954~~ 1954
9 PA 165 or as a member of the Michigan judges retirement system
10 created by ~~Act No. 234 of the Public Acts of 1992~~ THE JUDGES
11 RETIREMENT ACT OF 1992, 1992 PA 234, MCL 38.2101 TO 38.2720,
12 shall not exceed the employee's total annual judicial salary pay-
13 able from all sources at the time of his or her retirement. This
14 subsection shall not be construed to diminish or impair an
15 accrued financial benefit.

16 (24) Beginning September 1, 1981, for determining a retire-
17 ment benefit pursuant to subsection (2) for a county employee who
18 is a judge who receives an annuity pursuant to section 14(5) of
19 former ~~Act No. 198 of the Public Acts of 1951~~ 1951 PA 198 or
20 pursuant to section 503(2)(c) of ~~Act No. 234 of the Public Acts~~
21 ~~of 1992, being section 38.2503 of the Michigan Compiled Laws~~ THE
22 JUDGES RETIREMENT ACT OF 1992, 1992 PA 234, MCL 38.2503, "average
23 final compensation" means the difference between the judge's
24 total annual salary payable from all sources on August 31, 1981,
25 and the judge's state base salary payable on August 31, 1981.
26 This subsection shall not be construed to diminish or impair an
27 accrued financial benefit.

1 (25) Beginning January 1, 1983, the sum of the final salary
2 determined for each county employee who is a judge of the probate
3 court used as the basis for determining the judge's retirement
4 allowance as a member of a retirement system established pursuant
5 to this section and the salary or compensation figure used as the
6 basis for determining the judge's retirement allowance as a
7 member of the state of Michigan judges' retirement system created
8 by former ~~Act No. 198 of the Public Acts of 1951~~ 1951 PA 198 or
9 as a member of the Michigan judges retirement system created by
10 ~~Act No. 234 of the Public Acts of 1992~~ THE JUDGES RETIREMENT
11 ACT OF 1992, 1992 PA 234, MCL 38.2101 TO 38.2720, shall not
12 exceed the judge's total annual salary payable from all sources
13 at the time of his or her retirement. This subsection shall not
14 be construed to diminish or impair an accrued financial benefit.

15 (26) The county board of commissioners, upon the request of
16 a county employee, by not less than a 3/5 vote may credit that
17 county employee with the amount of membership service that the
18 county employee was previously credited with by the retirement
19 system established under this section under the following
20 conditions:

21 (a) The membership service previously credited to the county
22 employee was service rendered for the same county.

23 (b) Service that is recognized for the purpose of a deferred
24 retirement allowance under a retirement system or other
25 employer-funded retirement benefit plan, except for a retirement
26 benefit plan under the social security act, chapter 531, 49
27 Stat. 620, of the United States government, a state, or a

1 political subdivision of a state shall not be credited if the
2 county employee retired under a retirement system of the United
3 States government, a state, or any of their political subdivi-
4 sions or until the county employee irrevocably forfeits the right
5 to the deferred retirement allowance.

6 (c) The county employee deposits in the plan established
7 under this section an amount equal to the aggregate amount of
8 contributions the county employee made at the time of the previ-
9 ous membership service plus interest from the date of withdrawal
10 of the accumulated contributions to the date of deposit, at rates
11 determined by the county board of commissioners. If records are
12 insufficient or unavailable to compute the exact amount of
13 required deposit, the county board of commissioners may estimate
14 the amount.

15 (d) The county employee deposits in the county employees'
16 retirement system an amount equal to the aggregate amount of con-
17 tributions the employer made at the time of the previous member-
18 ship service plus interest from the date of separation to the
19 date of deposit, at rates determined by the county board of
20 commissioners.

21 (27) A person participating in a program described in this
22 subsection is not eligible for membership in a retirement system
23 or pension plan established under this section. In addition,
24 that person shall not receive service credit for the employment
25 described in this subsection even though the person subsequently
26 becomes or has been a member of the retirement system. This
27 subsection applies to all of the following:

1 (a) A person, not regularly employed by the county, who is
2 employed by the county through participation in a program estab-
3 lished pursuant to the job training partnership act, Public Law
4 97-300, 96 Stat. 1322.

5 (b) A person, not regularly employed by the county, who is
6 employed by the county through participation in a program estab-
7 lished pursuant to the Michigan opportunity and skills training
8 program, first established under sections 12 to 23 of ~~Act~~
9 ~~No. 259 of the Public Acts of 1983~~ 1983 PA 259.

10 (c) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program estab-
12 lished pursuant to the Michigan community service corps program,
13 first established under sections 25 to 35 of ~~Act No. 259 of the~~
14 ~~Public Acts of 1983~~ 1983 PA 259 and sections 148 to 160 of ~~Act~~
15 ~~No. 246 of the Public Acts of 1984~~ 1984 PA 246.

16 (d) A person, not regularly employed by the county, who is
17 hired by the county to administer a program described in subdivi-
18 sion (a), (b), or (c).

19 (28) If a county enters into a collective bargaining agree-
20 ment pursuant to ~~Act No. 336 of the Public Acts of 1947, being~~
21 ~~sections 423.201 to 423.217 of the Michigan Compiled Laws~~ 1947
22 PA 336, MCL 423.201 TO 423.217, that provides for retirement ben-
23 efits that are in excess of the retirement benefits otherwise
24 authorized to be provided under this section for employees of the
25 county who are covered by a plan under this section, then the
26 county board of commissioners may amend or adopt a plan under
27 this section to provide those benefits to employees who are

1 members of the bargaining unit covered by the agreement, and may,
2 after December 31, 1987, amend or adopt a plan under this section
3 to provide those benefits to other employees of the county.

4 (29) One of the following conditions applies to a retirant
5 who is receiving a pension or retirement benefit from a plan
6 under this section if the retirant becomes employed by a county
7 that has established a plan under this section:

8 (a) Payment of the pension or retirement benefit to the
9 retirant shall be suspended if the retirant is employed by the
10 county from which the retirant retired and the retirant does not
11 meet the requirements of subdivision (b) or (d). Suspension of
12 the payment of the pension or retirement benefit shall become
13 effective the first day of the calendar month that follows the
14 sixtieth day after the retirant is employed by the county.

15 Payment of the pension or retirement benefit shall resume on the
16 first day of the calendar month that follows termination of the
17 employment. Payment of the pension or retirement benefit shall
18 be resumed without change in amount or conditions by reason of
19 the employment. The retirant shall not be a member of the plan
20 during the period of employment.

21 (b) Payment of the pension or retirement benefit to the
22 retirant shall continue without change in amount or conditions by
23 reason of employment by the county from which the retirant
24 retired if all of the following requirements are met:

25 (i) The retirant meets 1 of the following requirements:

26 (A) For any retirant, is employed by the county for not more
27 than 1,000 hours in any 12-month period.

1 (B) For a retirant who was not an elected or appointed
2 county official at retirement, is elected or appointed as a
3 county official for a term of office that begins after the
4 retirant's retirement allowance effective date.

5 (C) For a retirant who was an elected or appointed county
6 official at retirement, is elected or appointed as a county offi-
7 cial to a different office from which the retirant retired for a
8 term of office that begins after the retirant's retirement allow-
9 ance effective date.

10 (D) For a retirant who was an elected or appointed county
11 official at retirement, is elected or appointed as a county offi-
12 cial to the same office from which the retirant retired for a
13 term of office that begins 2 years or more after the retirant's
14 retirement allowance effective date.

15 (ii) The retirant is not eligible for any benefits from the
16 county other than those required by law or otherwise provided to
17 the retirant by virtue of his or her being a retirant.

18 (iii) The retirant is not a member of the plan during the
19 period of reemployment, does not receive additional retirement
20 credits during the period of reemployment, and does not receive
21 any increase in pension or retirement benefits because of the
22 employment under this subdivision.

23 (c) Payment of the pension or retirement benefit to the
24 retirant shall continue without change in amount or conditions by
25 reason of the employment if the retirant becomes employed by a
26 county other than the county from which the retirant retired.
27 For the purposes of membership and potential benefit entitlement

1 under the plan of the other county, the retirant shall be
2 considered in the same manner as an individual with no previous
3 record of employment by that county.

4 (d) Payment of the pension or retirement benefit to the
5 retirant shall continue without change in amount or conditions by
6 reason of employment by the county from which the retirant
7 retired if the retirant was an employee of the state judicial
8 council on September 30, 1996, and becomes a county-paid employee
9 of the recorder's court of the city of Detroit or the third judi-
10 cial circuit of the circuit court on October 1, 1996.

11 (30) A county may increase the percentage of the highest
12 average monthly compensation or earnings that was used to calcu-
13 late the pension or retirement benefit under subsection (1)(b) of
14 a person receiving a pension or retirement benefit under this
15 section on the date the county increases the percentage of com-
16 pensation or earnings. The county shall recalculate the pension
17 or retirement benefit using the increased percentage of compensa-
18 tion or earnings. The person receiving the pension or retirement
19 benefit is eligible to receive an adjusted pension or retirement
20 benefit based upon the recalculation effective the first day of
21 the month following the date the county increases the percentage
22 of compensation or earnings under this subsection.

23 (31) The payment of pension or retirement benefits under a
24 plan established pursuant to this section is subject to an eligi-
25 ble domestic relations order under the eligible domestic rela-
26 tions order act, ~~Act No. 46 of the Public Acts of 1991, being~~

1 ~~sections 38.1701 to 38.1711 of the Michigan Compiled Laws~~ 1991
2 PA 46, MCL 38.1701 TO 38.1711.

3 (32) If a county retirement plan established under this sec-
4 tion provides an optional form of payment of a retirement allow-
5 ance and if a retirant receiving a reduced retirement allowance
6 under that plan is divorced from the spouse who had been named
7 the retirant's survivor beneficiary, the election of a reduced
8 retirement allowance form of payment shall be considered void by
9 the retirement system if the judgment of divorce or award or
10 order of the court, or an amended judgment of divorce or award or
11 order of the court dated after July 18, 1991 provides that the
12 election of a reduced retirement allowance form of payment is to
13 be considered void by the retirement system and the retirant pro-
14 vides a certified copy of the judgment of divorce or award or
15 order of the court, or an amended judgment of divorce or award or
16 order of the court, to the retirement system. If the election of
17 a reduced retirement allowance form of payment is considered void
18 by the retirement system under this subsection, the retirant's
19 retirement allowance shall revert to a straight life retirement
20 allowance, including postretirement adjustments, if any, subject
21 to an award or order of the court. The retirement allowance
22 shall revert to a straight life retirement allowance under this
23 subsection effective the first of the month after the date the
24 retirement system receives a certified copy of the judgment of
25 divorce or award or order of the court. This subsection does not
26 supersede a judgment of divorce or award or order of the court in
27 effect on July 18, 1991. This subsection does not require the

1 retirement system to distribute or pay retirement assets on
2 behalf of a retirant in an amount that exceeds the actuarially
3 determined amount that would otherwise become payable if a judg-
4 ment of divorce had not been rendered.

5 (33) A county board of commissioners of a county having a
6 population of more than 400,000 but less than 800,000, which
7 county has an employee credit union organized under ~~Act No. 285~~
8 ~~of the Public Acts of 1925, being sections 490.1 to 490.31 of the~~
9 ~~Michigan Compiled Laws~~ 1925 PA 285, MCL 490.1 TO 490.31, may
10 include as a member of a plan under this section a past or
11 present employee of the credit union, if that past or present
12 employee has 5 or more years of service credit with that credit
13 union on or before June 30, 1990.

14 (34) The county board of commissioners shall establish a
15 written policy to implement the provisions of this section in
16 order to provide uniform application of this section to all mem-
17 bers of the plan.

18 (35) A PENSION OR RETIREMENT BENEFIT PLAN ESTABLISHED UNDER
19 THIS SECTION IS SUBJECT TO THE REGULATION OF EARLY RETIREMENT
20 BENEFITS ACT.

21 Enacting section 1. This amendatory act does not take
22 effect unless Senate Bill No. _____ or House Bill No. _____
23 (request no. 00547'97) of the 89th Legislature is enacted into
24 law.